

New start of Nokia

Fakhrutdinova E., Fakhrutdinov R., Kolesnikova J., Yurieva O.
Kazan Federal University, 420008, Kremlevskaya 18, Kazan, Russia

Abstract

© 2015, Mediterranean Center of Social and Educational Research. All rights reserved. Microsoft will take over Nokia's Devices and Services business, which includes both Smart Devices and Mobile Devices. In other words: The Lumia, Asha and X series are now all under Microsoft's umbrella. Design teams, supply chain, accessories, employees, developer relations and most of Nokia's manufacturing plants and testing facilities are also on Microsoft's side, as are most of the company's services like MixRadio, Store and more. Here, Nokia's mapping entity, is considered a separate business and isn't included as part of the deal, but Microsoft has agreed to a 10-year licensing agreement. On the one hand, Nokia's decision to sell its mobile phone business to Microsoft is a Finnish tragedy. At Nokia's best times, this giant contributed a quarter of Finland's economic growth for past 10 years: it paid 23% of Finland's corporate taxes. On the other hand, getting out of the mobile phone business sector is a probable blessing for Nokia. Life is tough nowadays for second-tier smartphone companies. Nokia's global market share in the mobile phone market has dropped to 14 percent (from 19.9 percent a year ago, according to Gartner). The revenue of the company brings in from its devices and services division is down by more than half since 2008. This paper is aimed to show why Nokia had to be saved by someone external, both from the technological and financial point of view.

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Keywords

Acquisition, Loss, Mobile phone business, Revenues, Smartphone, Technology